UNITED STATES DISTRICT COURT FOR THE DISTRICT OF PUERTO RICO

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In re	:	
THE FINANCIAL OVERSIGHT AND	:	
MANAGEMENT BOARD FOR PUERTO RICO,		PROMESA Title III
as representative of		Case No. 17-BK-3283 (LTS) (Jointly Administered)
THE COMMONWEALTH OF PUERTO RICO et al.,	:	,
Debtors. ¹		
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RESPONSE OF THE COFINA AGENT TO MOTION BY THE AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL-CIO (AFSCME) TO COMPEL COMPLIANCE WITH THE AUGUST 10, 2017 STIPULATION AND ORDER

Bettina M. Whyte (the "<u>COFINA Agent</u>"), in her capacity as the Court-appointed representative for the Puerto Rico Sales Tax Financing Corporation ("<u>COFINA</u>"), respectfully submits this response (the "<u>Response</u>") to the *Motion by the American Federation of State*, County and Municipal Employees, AFL-CIO (AFSCME) to Compel Compliance With the August 10, 2017 Stipulation and Order [Docket No. 3092] (the "<u>Motion</u>").²

 The COFINA Agent submits this Response to refute the assertion by AFSCME that the COFINA Agent has acted improperly or in violation of the Stipulation.
 AFSCME recognizes that the COFINA Agent issued a press release on May 14, 2018 correcting

The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747).

² Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

the inaccurate and unauthorized statement by the Ad Hoc Group of General Obligation Bondholders regarding the COFINA Agent's position on the proposed settlement. Motion ¶ 12. But the Motion nevertheless suggests that the COFINA Agent has acted improperly and violated the Stipulation because she has not "denied or stated any objection to having been approached by the Supporting Parties." Motion ¶ 14.

2. The COFINA Agent cannot and will not provide any detailed responses to the assertions of the Motion because of the confidentiality requirements of the mediation process. However, throughout the mediation process, the COFINA Agent has acted appropriately, in good faith, and in a manner consistent with the Stipulation.³ The Motion's assertion to the contrary is baseless.⁴ The COFINA Agent has not violated (and will not violate) the Stipulation.

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Accordingly, the COFINA Agent is protected by the immunity granted by the Court for all actions of the COFINA Agent in connection with the litigation or mediation of the Commonwealth-COFINA Dispute. Case No. 17-3283, Docket No. 1612; Adv. Pro. No. 17-257, Docket No. 284.

On the date hereof, counsel to the COFINA Agent wrote a letter to counsel for AFCSME formally requesting the amendment of the Motion to remove any suggestion that the COFINA Agent has violated the Stipulation or acted inappropriately.

Dated: May 18, 2018

New York, New York

Respectfully submitted,

By: /s/ Nilda M. Navarro-Cabrer Nilda M. Navarro-Cabrer (USDC – PR No. 201212) NAVARRO-CABRER LAW OFFICES

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Respectfully submitted,

By: /s/ Matthew A. Feldman

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